

# RECORDS MANAGEMENT AND RETENTION POLICY



## ARTICLE I. INTRODUCTION

**SECTION 1.** The Cathedral City Chamber of Commerce (“Chamber”) requires its directors, officers, employees, volunteers, agents and other personnel to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. The purpose of this Records Management and Retention Policy (“Policy”) is to ensure that all Records (as defined in Section 3 of this Article) necessary for business and compliance reasons will be retained for a period of time that will reasonably assure their availability when needed, but for no period of time longer than reasonably necessary. This Policy is intended to supplement but not replace any state and federal laws governing the destruction of documents and records applicable to nonprofit and charitable organizations.

**SECTION 2.** It is the policy of the Chamber to retain and manage all Records in accordance with uniform guidelines, practices, and procedures. All Chamber directors, officers, employees, volunteers, agents and other personnel (all such persons are referred to in this Policy as “Chamber personnel”) shall manage, protect, and maintain all Records in accordance with the Records Retention Schedule (“Retention Schedule,” attached as Schedule 1) and this Policy.

**SECTION 3.** “Records” means all documents, files, or records created by any Chamber personnel while acting within the course and scope of his or her duties pertaining to Chamber business or operations, including but not limited to: computer records, electronic mail (“e-mail”), voice mail messages, handwritings, photographs, photocopies, or facsimile, regardless of the manner in which the record has been stored. Specific categories and types of Records are contained in the Retention Schedule.

**SECTION 4.** All Records required to be retained to document the Chamber’s legal compliance, or otherwise required by law, rule or regulation to be retained, shall be retained for the periods required by law as described in the Retention Schedule. All Records required to be retained due to pending or threatened litigation or investigation shall be retained for so long as the litigation or investigation is active, plus any additional period as may be provided for in this Policy and the Retention Schedule.

## ARTICLE II. SCOPE

**SECTION 1.** All Records pertaining to Chamber business maintained or created by any Chamber personnel, including any Records retained off Chamber property, are subject to the requirements of this Policy. The format of Records to be retained may vary, e.g., hard copy original, photocopy, facsimile, microfilm, microfiche, computer file, e-mail, computerized image. Regardless of the format selected, Records must be safeguarded and easily accessible.

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In addition to paper Records, this Policy applies to all electronic Records, including Records created or maintained by Chamber personnel remotely, such as on home personal computers or laptops.

**SECTION 2.** To the extent possible, the Record retention guidelines contained in this Policy should apply to all applicable Records created, maintained, stored, or otherwise in the possession of the Chamber's third party vendors.

## ARTICLE III. LEGAL HOLD

**SECTION 1.** Retention procedures will be suspended when a Record or group of Records are placed on Legal Hold ("Legal Hold"). A Legal Hold requires preservation of appropriate Records under special circumstances, such as litigation, government investigations or consent decrees. In the event that the Chamber's Board of Directors or management learns of any claim that could reasonably give rise to litigation or government investigation, the Chamber shall consult with legal counsel as to the need for a Legal Hold. In such case, Chamber in consultation with legal counsel will determine and identify what Records are required to be placed under a Legal Hold.

**SECTION 2.** Individual Chamber personnel will be notified if a Legal Hold is placed on Records for which the individual is responsible. The individual is then required to locate, index and protect the necessary Records. Any Record that is relevant to a Legal Hold must be retained and preserved. If the individual is unsure whether a Record is relevant to a Legal Hold, the individual should protect that Record until he or she receives clarification from his or her supervisor following the Chamber's consultation with its legal counsel. *Failure to comply with a Legal Hold may result in significant risk, exposure or liability to the Chamber.*

**SECTION 3.** A Legal Hold remains effective until it is released, in writing, by the Chamber after consultation with legal counsel. Following the final resolution of the relevant litigation, government investigation or consent decree, the Chamber will consult with legal counsel as to the release of the Legal Hold. After the individual receives written notice, the individual may return all Records relevant to the Legal Hold to their normal retention procedures.

## ARTICLE IV. ADMINISTRATION

**SECTION 1.** This Policy is to be administered by the Treasurer. Questions regarding this Policy should be directed to the Treasurer.

**SECTION 2.** Guidelines for retention of Records are provided for in the Retention Schedule. Any changes to the Retention Schedule must be approved by the Board.

**SECTION 3.** All Records shall be created, maintained and stored in a manner that complies with the Chamber's Records storage, accessibility and retrieval procedures.

**SECTION 4.** Records kept on-site should be destroyed in accordance with the Retention

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Schedule. Records that are sent off-site shall be labeled with a destruction date. Each July, the Treasurer will review a list of all Records that have reached the destruction date, and will confirm that the Records can be destroyed, to ensure the Chamber's continued ability to produce Records for known investigations or litigation. If the Chamber uses an outside vendor for storage and/or destruction of Records, after approval for destruction, the Records storage vendor shall shred or otherwise destroy the noted Records and provide a certificate of destruction in accordance with this Policy. Destruction of electronic Records shall utilize a method to ensure the electronic Records are completely destroyed and not retrievable from any storage media.

**SECTION 5.** The Board shall meet periodically to review and, if necessary, update this Policy to comport with changed business practices and systems and new or amended laws or regulations. Any changes to this Policy must be approved in writing by the Chamber's Board of Directors. Changes will be distributed to relevant Chamber personnel.

**SECTION 6.** Failure to comply with this Policy may result in disciplinary action, up to and including termination of employment, volunteer, or board member status.

Adopted by the Board of Directors at its Meeting on \_\_\_\_\_.

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## SCHEDULE 1: RETENTION SCHEDULE

### ARTICLE I. INTRODUCTION

In accordance with the Chamber's Records Management and Retention Policy ("Policy"), this Schedule 1 ("Retention Schedule") sets forth retention periods applicable to Records held by the Chamber's current and future offices and locations. To the extent that a Record is included in more than one category, the longer retention period shall apply. Records which are (i) not identified in the Retention Schedule, (ii) no longer needed for Chamber business or operations and (iii) not subject to a Legal Hold, should be promptly destroyed.

### ARTICLE II. DEFINITIONS

**SECTION 1. Active/Inactive Records.** Records may be classified as either "Active" or "Inactive" Records.

- (a) "Active Records" are Records that are regularly referenced or required for current uses. A Record is considered Active if it meets at least one of the following criteria:
- (1) There is a regulatory or statutory requirement to keep a Record;
  - (2) It would be advantageous to the Chamber to be able to access a Record quickly;
  - (3) A Record will be needed for reference at a specific time in the future; or
  - (4) The custodian of the Record makes the determination that a Record may be retained as an Active Record.
- (b) "Inactive Records" are those Records that are no longer needed for current business. Inactive Records are those Records that need not be readily available but still must be retained for legal, fiscal, operational or historical purposes. Inactive Records may be archived at a remote location(s).

### ARTICLE III. EXCEPTIONS

**SECTION 1. Legal Hold.** All Records required to be retained due to pending or threatened litigation or investigation shall be retained for so long as the litigation or investigation is active (See Article V of the Policy, "Legal Hold").

**SECTION 2. Contractual Requirements.** To the extent that contractual records retention requirements exceed the retention periods in this Retention Schedule or specify the retention of Records not listed in the Retention Schedule, the contractual requirements will control. No originals of Records related to open contracts and subject to contractual retention requirements may be destroyed without the approval of the Chamber's Treasurer, who will consult with other Chamber management personnel, as necessary.

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## ARTICLE IV. RETENTION SCHEDULE

| <b>Type of Document</b>   | <b>Minimum Requirement</b> |
|---|----------------------------|
| Accounts payable ledgers and schedules                              | 7 years                    |
| Audit reports   | Permanently                |
| Bank Reconciliations  | 7 years                    |
| Bank statements   | 7 years                    |
| Checks (for important payments and purchases)                       | Permanently                |
| Contracts (still in effect)   | Permanently                |
| Contracts, mortgages, notes and leases (expired)                    | 10 years                   |
| Correspondence (general)  | 4 years                    |
| Correspondence (legal and important matters)                        | Permanently                |
| Correspondence (with customers and vendors)                         | 4 years                    |
| Deeds, mortgages, and bills of sale                                 | Permanently                |
| Depreciation Schedules  | Permanently                |
| Duplicate deposit slips   | 7 years                    |
| Employment applications   | 3 years                    |
| Expense Analyses/expense distribution schedules                     | 7 years                    |
| Financial Statements, Year End                                      | Permanently                |
| Insurance Policies (expired)  | 10 years                   |
| Insurance records, current accident reports, claims, policies, etc. | Permanently                |
| Internal audit reports  | 7 years                    |
| Inventories of products, materials, and supplies                    | 7 years                    |
| Invoices (to customers, from vendors)                               | 10 years                   |
| Minute books, bylaws and charter                                    | Permanently                |
| Patents and related Papers  | Permanently                |
| Payroll records and summaries                                       | 7 years                    |
| Personnel files (terminated employees)                              | 7 years                    |
| Retirement and pension records                                      | Permanently                |
| Tax returns and worksheets  | Permanently                |
| Timesheets  | 7 years                    |
| Trademark registrations and copyrights                              | Permanently                |
| Withholding tax statements  | 7 years                    |

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APPENDIX A: LEGAL HOLD NOTIFICATION

DATE:  
TO:  
CC:  
FROM:

RE: LEGAL HOLD

In accordance with the Cathedral City Chamber of Commerce’s (“Chamber”) Records Management and Retention Policy, you are hereby notified to locate and protect all records pertaining to the following subject matter:

A Legal Hold has been placed on records pertaining to the subject matter described above. You are required to locate and protect the necessary records for which you are responsible. Any record (including, but not limited to hard copy original, photocopy, facsimile, microfilm, microfiche, e-mail, electronic file and computerized image) that is relevant to this Legal Hold must be preserved. If you are unsure whether a record is relevant to a Legal Hold you should protect that record until you have received clarification from your supervisor.

*Failure to comply with a Legal Hold will result in disciplinary action, up to and including termination. In addition, failure to comply with this Legal Hold may result in fines, damages, liability and/or court-ordered sanctions imposed against the Chamber.*

Contact the following person if you have any records subject to this Legal Hold by phone or by e-mail:

Name: \_\_\_\_\_ Phone: \_\_\_\_\_ E-Mail: \_\_\_\_\_

Contact the following person should you become aware of any failure to comply with the Chamber’s Record Management and Retention Policy or any Legal Hold:

TREASURER Name: \_\_\_\_\_ Phone: \_\_\_\_\_ E-Mail: \_\_\_\_\_

This Legal Hold remains effective until the Chamber’s legal counsel releases it in writing. After you receive written Notice of Release, you may return all records subject to the Legal Hold to their normal retention procedures.

Contact the following person for questions regarding this memo:

Name: \_\_\_\_\_ Phone: \_\_\_\_\_ E-Mail: \_\_\_\_\_

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## APPENDIX B: LEGAL HOLD RELEASE

**DATE:**

**TO:**

**CC:**

**FROM:**

**RE: Legal Hold Release**

In accordance with the Cathedral City Chamber of Commerce's Records Management and Retention Policy, you are hereby notified that the Legal Hold pertaining to the following subject matter:

is released. Please return all records relevant to the Legal Hold to their normal retention procedures.

Contact the following person for questions regarding this memo:

Name: \_\_\_\_\_ Phone: \_\_\_\_\_ E-Mail: \_\_\_\_\_